

E-01345A-05-0816
E-01345A-05-0826
E-01345A-05-0827

ORIGINAL



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ARIZONA CORPORATION COMMISSION RECEIVED 47CD
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

2006 DEC 29 A 9:33
AZ CORP COMMISSION
DOCUMENT CONTROL

Opinion No. 2006 - 56306

Date: 11/1/2006

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Carol Last: Houselog

Account Name: Carol Houselog

Home: (000) 000-0000

Street: n/a

Work: (000) 000-0000

City: Phoenix

CBR: [REDACTED]

State: AZ Zip: 00000

is: E-Mail

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: Jessica Hobbick

Contact Phone:

Nature of Complaint:

Arizona Corporation Commission

DOCKETED

DEC 29 2006

From: Carol [mailto:[REDACTED]]
Sent: Tuesday, October 31, 2006 7:51 AM
To: Utilities Div - Mailbox
Subject: APS rates

DOCKETED BY

[Signature]

To all members of the Corporation Commission;

Please consider the following in any dealings with APS and rates, profits or rate increase requests.

I live in a 1400 square foot home with gas appliances. Hot water, heat, dryer, range - all gas. In the past couple of years we have replaced all our windows with energy efficient ones, added insulation to the attic and replaced almost all light bulbs with flourescents. Our Air conditioning unit was replaced 5 years ago. I have no complaints about my gas bill from Southwest gas.

I am on the equalizer plan with APS. My highest usage months are summer when we run the AC. We also have swamps which we run at any time we can to avoid running the AC. My bar graph on my electric bill shows that in almost every month over the last 10 my usage was down (below the same month the previous year). The only month that was higher was June because it was warmer this year and we had to switch to AC sooner than usual.

After 5 years or so of a steady equalizer payment of 153 per month, my payment now has been adjusted upward about 6 times in the last 8 months to where it is now, which is 177. Why am I using less and paying more? I don't believe my payment is accurate nor do I believe an equalizer payment should be adjusted so frequently - kinda defeats the purpose of the plan? For whatever reason, I believe APS is looking to it's equalizer customers as a source for increasing revenue in the short term. Indeed, my theory seems to be holding up after seeing the recent headline regarding the increase in APS profits.

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APS needs to answer some questions and should not be granted any further rate increases. Why is SRP able to do so much better? There are SRP houses a short distance from mine with much more reasonable bills. Why is a 1400 square foot house with gas appliances paying almost 200 dollars a month for electricity? And why does APS waste money on television commercials when consumers don't get to choose who their provider is? The last attempt at providing choice was a joke - there still really was no choice.

We are relying on you to keep this monopoly under control.

Thank you
Carol Houselog
Phoenix, AZ.

Can you give consumer an explanation for the increase?
Why did her Equalizer get re-adjusted?
End of Complaint

Utilities' Response:

11/8/06

Carol Houselog is enrolled in our Equalizer program. Her Equalizer payment amount was increased from \$153.00 to \$171.00 in January and again to \$177.00 in October. This adjustment was made based on an average of her monthly electric bill along with an amortization of her Equalizer account balance. Her electric bills over the past 12 months add up to \$1,785.99 and her Equalizer account balance during the annual review month (January) was \$337.00. To calculate the monthly payment, the annual usage of \$1,785.99 was added to her Equalizer account balance of \$337.00 for a total of \$2,122.99. This amount was then divided by 12 to determine her average bill of \$177.00.

I also noticed that Ms. Houselog selected the Standard rate (E-12) but may benefit from one of our time of use service plans. Since this would reduce her annual usage, it may also decrease her Equalizer payment amount."
End of Response

Investigator's Comments and Disposition:

11/1/06 filed in APS' rate case. Docket No. E-01345A-05-0816

From: Carmen Madrid [mailto: [REDACTED]]
Sent: Monday, December 04, 2006 12:47 PM
To: [REDACTED]
Subject: APS billings

December 4, 2006

Ms. Carol Houselog
Phoenix, AZ

Dear Ms. Houselog:

This will acknowledge receipt of your e-mail on October 31, 2006 regarding Arizona Public Service.

Your concerns were submitted to Arizona Public Service for resolution and the following is the response from Jessica Hobbick, Consumer Advocate:

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"11/8/06

Carol Houselog is enrolled in our Equalizer program. Her Equalizer payment amount was increased from \$153.00 to \$171.00 in January and again to \$177.00 in October. This adjustment was made based on an average of her monthly electric bill along with an amortization of her Equalizer account balance. Her electric bills over the past 12 months add up to \$1,785.99 and her Equalizer account balance during the annual review month (January) was \$337.00. To calculate the monthly payment, the annual usage of \$1,785.99 was added to her Equalizer account balance of \$337.00 for a total of \$2,122.99. This amount was then divided by 12 to determine her average bill of \$177.00.

I also noticed that Ms. Houselog selected the Standard rate (E-12) but may benefit from one of our time of use service plans. Since this would reduce her annual usage, it may also decrease her Equalizer payment amount."

If you have any questions you may contact me at [REDACTED]

Sincerely,

Carmen Madrid
Public Utility Consumer Analyst
Utilities Division

12/5/06

Dear Ms. Madrid,

Thank you for acknowledging receipt of my email. However, everyone seems to have missed the point of my message. I understand how the equalizer plan works. I noted in my second message (to Ms. Mayes) that I was not interested in another explanation of the plan. I am sure there are ways I could further reduce my usage. Perhaps by APS use rate plans or perhaps I could just remove all the light fixtures from my home and use candles, and maybe make sure that I throw away the TVs and the computers as well? Apparently I have to adjust my lifestyle and do without, but APS doesn't have to?

One more time - the gist of my message is this. You are the corporation commission - made up of duly elected officials (by me the voter) whose job is to oversee and regulate utilities such as APS and determine what rate increases they may have if any. I am asking you, as my representative and only line of defense, to find out why APS needs to charge such exorbitant rates and why they are more expensive than SRP. Why are they about to come back to you for yet another increase in those rates? I have already decreased my usage. The APS bar graphs show that in almost every month except for one, my usage was lower than the previous year. The POINT is that I am using less but paying much more!!! My question was, does it sound reasonable that a 1400 square foot home that is GAS should be paying almost 200 dollars a month for electricity? My other question, which everyone on my street would like to know the answer to, is how is it that SRP is able to charge much more reasonable rates?

Why are you all ignoring the references to SRP? SRP uses Palo Verde and also incurred expenses when it had trouble. APS used it as an excuse to charge more money while SRP publicly stated they would NOT pass those costs on to their customers. Why doesn't APS do what we all do when times get a little tough? Maybe THEY can look at cost cutting measures? Maybe they can live with a slightly lower profit margin once in awhile?

And finally, I have already expressed my anger to Ms. Mayes over having my message turned over to APS. It clearly shows how the meaning and intent of my message was completely ignored. I also consider it a breach of

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confidentiality when I gave you no such permission to do so nor did my message convey in any way that this was my desire or that it was necessary. I am perfectly capable of picking up the phone and talking to APS if I want to. There is no point in talking to APS. That is why I was talking to you - and it is your job to represent your constituents and deal with the rates APS charges.

Hopefully you now finally understand? I would certainly like to know if you do and I also think an apology is in order.

And by the way, NONE of my concerns were addressed in that message. I am actually angrier now than I was when I composed my first message!

Thank you
Carol Houselog
Phoenix, AZ

12/28/06 FOLLOWING RESPONSE SENT TO CONSUMER:

December 6, 2006

Ms. Carol Houselog
Phoenix, AZ

Dear Ms. Houselog:

This will acknowledge receipt of your e-mail response dated December 5, 2006 regarding Arizona Public Service (APS). Your opinion on the rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the APS application.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

The Consumer Services Section investigates complaints regarding the operation, service and billing practices of the company to ensure compliance with the statutes, rules, tariffs and orders of the Commission. After a problem has been identified through a complaint, Staff obtains facts from the company and determines if corrective action has been or needs to be initiated.

Salt River Project Agricultural Improvement & Power District (SRP) is not under the regulatory jurisdiction of the Arizona Corporation Commission. The Commission does not have jurisdiction for municipalities or districts.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at [REDACTED]

Sincerely,

Carmen Madrid
Public Utility Consumer Analyst
Utilities Division
End of Comments

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Date Completed: 12/28/2006

Opinion No. 2006 - 56306
